



**SECRETARY OF STATE
STATE OF INDIANA
AUTO DEALER SERVICES
DIVISION**

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Common Violations and Types of Enforcement Actions the Division May Take

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***Disclaimer:** This document is intended solely to provide guidance and shall be used in conjunction with applicable rules and laws. It does not replace or add to applicable rules and laws, and if it conflicts with these rules or laws, the rules and laws shall control.*

Violations

The following are some of the most common violations of Indiana law by licensed dealers:

Failing to Appear for an Audit

Dealers may be subject to an audit at any time during the dealer's posted business hours. Generally, field examiners for the Division will alert dealers of an upcoming audit, but this is not required. Failure to appear for an audit, refusal to allow an examiner to conduct an audit, or otherwise impeding an audit may subject the dealer to enforcement action by the Division.

Misuse of Interim License Plates

There are several common violations concerning interim license plates. These include:

- Multiple issuances
 - A dealer may only issue one interim license plate to a vehicle. Issuing multiple interim license plates to the same vehicle may subject the dealer to enforcement actions.
- Issuing an altered interim license plate
 - It is a violation of Indiana law to issue an altered interim license plate or to issue an interim license plate containing false or fictitious information.
- Failure to maintain an interim license plate log
 - Dealers must maintain an interim license plate log and this log must be made available to the Division on demand.

Title Delivery Violations

According to Indiana law, a dealer must deliver title at the time of the sale. If the dealer is not able to deliver title at the time of the sale, the dealer must issue a 21-day affidavit to the purchaser of the vehicle and the dealer must deliver title within 21 days of the date of sale. The Division may determine that a dealer has failed to deliver title within 21 days if the dealer cannot provide proof of delivery and if a search of the Bureau of Motor Vehicle's records shows that the vehicle has not been titled in the purchaser's name. A dealer that fails to deliver title within 21 days of the date of sale is subject to a fine. The fine for violating the 21 day requirement depends on the number of violations in a calendar year.

Vacating the Business Without Notifying the Division

A dealer is required to notify the Division if the dealer ceases business activity at their licensed location. The dealer must return all dealer license plates to the Division not later than ten (10) days after the date the business activity will cease.

Off-Site Sales

A dealer may not sell or offer to sell a vehicle away from their licensed place of business unless the dealer has obtained an off-site sales permit from the Division.

Failure to Produce Records

A dealer is required to make all records available to Division examiners at the examiner's request. Failure to produce records or failure to maintain all of the required records can subject the dealer to enforcement action.

Enforcement Actions

The Division may take enforcement action against a dealer for violations of Indiana Code § 9-32; Title 75 of the Indiana Administrative Code; a violation of local, state, or federal laws or regulations related to the sale, distribution, financing, or insuring of motor vehicles; or a violation of local, state, or federal laws or regulations related to dealer licenses or dealer business. The type of enforcement action taken by the Division will depend on several factors, including the type and severity of the violation. The decision on what enforcement action to take, if any, will be at the discretion of the Division. The types of enforcement actions include, but are not limited to, the following:

Fine letters

The Division may send a letter to the dealer informing them of violations of law and the applicable fines. These letters are for settlement purposes only and are not formal legal actions. They provide the dealer and the Division an opportunity to settle any violations without having the matter go to a hearing.

Consent agreements

If the dealer does not wish to contest the allegations brought by the Division, the Division and the dealer can resolve the matter outside of an administrative hearing and enter into a formal, legally binding consent agreement. Any payment plan the dealer is entering into with the Division regarding payment of fines will be included in the consent agreement. If the dealer chooses not to enter into a consent agreement, the Division has the discretion to file a Notice of Violation.

Cease and desist orders

In the event the Division discovers a dealer is committing, or has committed, a violation, the Division can file a formal legal action, signed by the Ultimate Authority, ordering the dealer to stop the action that is the violation of law.

Notice of Violation

The Division can file with the Ultimate Authority a Notice of Violation against a dealer. Unlike a fine letter, which is used for settlement purposes, this is a formal legal action wherein the Division requests that an order be issued against the dealer finding the dealer in violation of the law and imposing appropriate penalties.

Possible Penalties

Fines

Probation

Suspension of the dealer license

The Division can suspend a dealer's license for a certain period of time. During this time, a dealer is not able to conduct business.

Revocation of the dealer license

The Division has the authority to revoke a dealer's license. If this occurs, the dealer will be permanently barred from conducting business as a dealer in the State of Indiana.